



RESOLUTION No. 2014-3142

**A RESOLUTION TO ADOPT SUPPLEMENTAL BUDGET #3 FOR
FISCAL YEAR 2013-2014 BEGINNING JULY 1, 2013, AND ENDING
JUNE 30, 2014**

RECITALS:

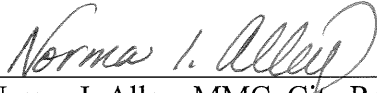
1. The 2013-2014 Budget was adopted by Resolution No. 2013-3047 on June 3, 2013, by the City Council.
2. A Transfer Resolution was adopted by Resolution No. 2013-3088 on October 7, 2013, by the City Council.
3. A Supplemental Budget #1 was adopted by Resolution No. 2013-3095 on November 18, 2013, by the City Council.
4. A Supplemental Budget #2 was adopted by Resolution No. 2014-3108 on February 18, 2014, by the City Council.
5. New circumstances require changes to the Budget as shown in Exhibit A.

THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

To recognize additional revenues, appropriate expenditure changes and recognize changes in contingencies as attached in Exhibit A, which is hereby adopted and by this reference incorporated.

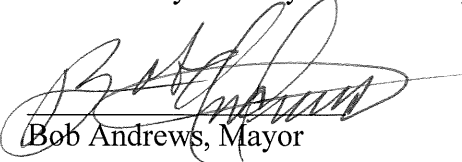
➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: June 3, 2014.

PADOPTED by the City Council of the City of Newberg, Oregon, this 2nd day of June, 2014.



Norma I. Alley, MMC, City Recorder

ATTEST by the Mayor this 5th day of June, 2014.



Bob Andrews, Mayor

EXHIBIT A TO RESOLUTION NO. 2014-3142

City of Newberg Supplemental BUDGET #3 2014-3142 Fiscal Year 2013-2014

<u>FUND 01 - GENERAL FUND</u>		FY 13-14 BUDGET	CHANGE	REVISED
Transient Lodging Tax - Revenues	<i>Increase</i>	460,000.00	70,000.00	530,000.00
Tourism Promotion - Expenses	<i>Increase</i>	123,000.00	17,500.00	140,500.00
Overtime - Court	<i>Increase</i>	-	12,000.00	12,000.00
Court Appointed Attorney Fees	<i>Increase</i>	24,000.00	6,000.00	30,000.00
Contingency	<i>Increase</i>	507,843.00	34,500.00	542,343.00
		<i>Current</i>	<i>Inc/(Decr)</i>	<i>Revised</i>
Total Resources (Beg Fund Balance + Current Revenues)		14,226,863.00	70,000.00	14,296,863.00
Total Requirements (Expenditures)		14,226,863.00	70,000.00	14,296,863.00

When the 2013-2014 Budget was adopted, the Transient Lodging Tax was estimated to be \$460,000.00. Quarterly receipts have been coming in approximately 23%-27% higher than prior year actuals. Therefore, the city needs to increase estimated Transient Lodging Tax revenues in the amount of \$70,000.00 and appropriate 25% of the increase to be remitted to the Visitor's Center. This would increase the Tourism Promotion expense line item by \$17,500.00 to prevent the City Council department from potentially going over budget.

During the preparation of the 2011-2012 Budget, one court position was eliminated. This caused the remaining court clerk to work overtime hours to perform the duties necessary to provide court services. The overtime accumulated such that it reached the maximum amount to bank, therefore, causing the additional overtime to be paid out. In addition, circumstances are that the remaining balance of the comp-time bank will be cashed out. This supplemental budget appropriates these overtime payouts in the estimated amount of \$12,000.00 and a corresponding reduction in General Fund Contingency.

The Court has seen a sharp increase in criminal activity over the last couple of years. The defendants have the opportunity to choose a court appointed attorney. However, if found guilty, the defendant must reimburse the city for the use of their court appointed attorney. The expense is paid for as the attorneys provide their expertise, while the repayment may be made over time. This supplemental budget appropriates the estimated increase in cost for court appointed attorneys in the amount of \$6,000.00 and a corresponding reduction in the General Fund Contingency.

<u>FUND 4 -UTILITY CAPITAL PROJECTS IMPROVEMENT FUND</u>		FY 13-14 BUDGET	CHANGE	REVISED
Wynooski-Riverfront Utilities - Wastewater	<i>Increase</i>	781,625.00	240,000.00	1,021,625.00
Wynooski-Riverfront Utilities - Water	<i>Decrease</i>	1,877,225.00	(240,000.00)	1,637,225.00
		<i>Current</i>	<i>Inc/(Decr)</i>	<i>Revised</i>
Total Resources (Beg Fund Balance + Current Revenues)		7,069,900.00	-	7,069,900.00
Total Requirements (Expenditures)		7,069,900.00	-	7,069,900.00

The Wynooski-Riverfront Utilities Capital Improvement Project is well underway. The initial budget estimated that more of the project would be water related. As the project moves along, it appears that some of the initial allocations should be allocated to the wastewater fund. This supplemental budget recognizes the increase in the appropriations for the Wynooski-Riverfront Utilities project for the wastewater portion and a corresponding reduction in the water portion of this same project. The identified portions of these projects will still be reimbursed by ODOT as identified in Supplemental Budget #2.

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<u>FUND 5 - EMERGENCY MEDICAL SERVICES FUND</u>		FY 13-14 BUDGET	CHANGE	REVISED
Miscellaneous Grants - Revenue	<i>Increase</i>	5,000.00	8,944.00	13,944.00
EMS Grants - Expenditure	<i>Increase</i>	5,000.00	8,944.00	13,944.00
		<i>Current</i>	<i>Inc/(Decr)</i>	<i>Revised</i>
Total Resources (Beg Fund Balance + Current Revenues)		1,906,509.00	8,944.00	1,915,453.00
Total Requirements (Expenditures)		1,906,509.00	8,944.00	1,915,453.00

The Emergency Medical Services department frequently applies for grants. This year they have received a grant through the Oregon Health Authority in the amount of \$8,944.00 for cab commanders and triage tarp kits. This supplemental budget recognizes this grant and appropriates the amount to be spent on those items this fiscal year.

<u>FUND 6 - WASTEWATER FUND</u>		FY 13-14 BUDGET	CHANGE	REVISED
Sale of Assets	<i>Increase</i>	-	20,000.00	20,000.00
Transfer Out - Veh/Equip Replacement	<i>Increase</i>	-	20,000.00	20,000.00
Debt Service Interest DEQ #R68820	<i>Increase</i>	-	237,067.00	237,067.00
Contingency-Debt Service	<i>Decrease</i>	3,063,233.00	(237,067.00)	2,826,166.00
		<i>Current</i>	<i>Inc/(Decr)</i>	<i>Revised</i>
Total Resources (Beg Fund Balance + Current Revenues)		14,207,599.00	20,000.00	14,227,599.00
Total Requirements (Expenditures)		14,207,599.00	20,000.00	14,227,599.00

Resolution 2013-3033 authorized the purchase of a new replacement Vector 2100, allowing the old vector to be sold. The buyer was the City of Chelan, Washington. This supplemental budget recognizes the revenue of \$20,000.00 and appropriates the transfer of the revenues to the Equipment Replacement Fund for future equipment needs.

The funds for the Wastewater Treatment Plant Repair, Renovation and Expansion expenses have been provided for through a loan from the Department of Environmental Quality (DEQ). Phase I has been completed and is ready to begin the repayment process. This supplemental budget appropriates the interest only amount of \$237,067.00 due this year. The 2014-2015 Budget will appropriate the next year's principal and interest payments.

<u>FUND 7 - WATER FUND</u>		FY 13-14 BUDGET	CHANGE	REVISED
Transfer Out - Veh/Equip Replacement	<i>Increase</i>	-	12,000.00	12,000.00
Contingency	<i>Decrease</i>	1,102,847.00	(12,000.00)	1,090,847.00
		<i>Current</i>	<i>Inc/(Decr)</i>	<i>Revised</i>
Total Resources (Beg Fund Balance + Current Revenues)		9,239,776.00	-	9,239,776.00
Total Requirements (Expenditures)		9,239,776.00	-	9,239,776.00

A pickup truck formerly used by engineering was transferred to the Water Operations department. This supplemental budget appropriates the transfer of \$12,000.00 from Operations to the engineering's replacement balance in the Vehicle/Equipment Replacement Fund (Fund 32). The funds for this transfer are coming out of the Water Contingency.

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FUND 17 - STORMWATER FUND

		FY 13-14 BUDGET	CHANGE	REVISED
TMDL Field Program	<i>Increase</i>	-	9,000.00	9,000.00
Contractual Services	<i>Increase</i>	5,000.00	7,000.00	12,000.00
Contingency	<i>Decrease</i>	283,531.00	(16,000.00)	267,531.00

	<i>Current</i>	<i>Inc/(Decr)</i>	<i>Revised</i>
Total Resources (Beg Fund Balance + Current Revenues)	1,985,084.00	-	1,985,084.00
Total Requirements (Expenditures)	1,985,084.00	-	1,985,084.00

With the adoption of the Stormwater Master Plan, test sampling of the creeks running through Newberg has become mandatory. The 2013-2014 Budget did not include an amount for this requirement. This supplemental budget is including the cost for sampling in the creeks running throughout Newberg in the amount of \$9,000.00 with a corresponding reduction in Stormwater Contingency.

The Engineering Standards and ESC Manuals must be updated every few years. This supplemental budget is to increase the budget in the amount of \$7,000.00 so that the Engineering Standards and ESC Manuals may be reviewed by an outside consultant. The corresponding amount will come from the Stormwater Contingency.

FUND 22 - LIBRARY GIFT & MEMORIAL FUND

		FY 13-14 BUDGET	CHANGE	REVISED
Miscellaneous Grants - Revenue	<i>Increase</i>	15,000.00	15,000.00	30,000.00
Miscellaneous Grants - Expenditure	<i>Increase</i>	10,000.00	15,000.00	25,000.00
Children's Room Remodel - Expense	<i>Increase</i>	193,000.00	7,000.00	200,000.00
Contingency	<i>Decrease</i>	42,123.00	(7,000.00)	35,123.00

	<i>Current</i>	<i>Inc/(Decr)</i>	<i>Revised</i>
Total Resources (Beg Fund Balance + Current Revenues)	293,723.00	15,000.00	308,723.00
Total Requirements (Expenditures)	293,723.00	15,000.00	308,723.00

The Newberg Public Library is always looking for grants to help fund their programs. This supplemental budget is to recognize the grant revenue in the amount of \$15,000.00 and appropriate that same amount so the grants can be spent based on their purpose.

Although the major fund raising for the Children's Room Remodel is winding down, furnishings are still being purchased. This supplemental budget appropriates the additional amount of \$7,000.00 for the Children's Room Remodel with a corresponding reduction in the Library Gift, Memorial and Grants Contingency.

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FUND 31 - ADMINISTRATIVE SUPPORT SERVICES FUND		FY 13-14 BUDGET	CHANGE	REVISED
Clerical Salaries	<i>Increase</i>	132,900.00	5,000.00	137,900.00
Contractual Services	<i>Increase</i>	5,400.00	5,000.00	10,400.00
Professional Service	<i>Increase</i>	30,000.00	1,500.00	31,500.00
Capital Outlay - IT	<i>Increase</i>	-	50,000.00	50,000.00
Contingency	<i>Decrease</i>	572,406.00	(61,500.00)	510,906.00

	<i>Current</i>	<i>Inc/(Decr)</i>	<i>Revised</i>
Total Resources (Beg Fund Balance + Current Revenues)	4,008,912.00	-	4,008,912.00
Total Requirements (Expenditures)	4,008,912.00	-	4,008,912.00

A long-term half-time employee in the Finance Department has tendered her resignation. This supplemental budget includes her vacation payout as well as the amount needed to provide the necessary staffing in the amount of \$5,000.00 through the end of the fiscal year. The corresponding amount will come from Administrative Support Services Contingency.

The city manager resigned at the beginning of the 2013-2014 fiscal year. Outside consultants were brought in to assist with budget projections. This supplemental budget accounts for the temporary help used in the amount of \$5,000.00. In addition, workshops in the amount of \$1,500.00 were conducted to educate the department heads on forecasting. A corresponding amount will be taken from the Admin Support Services Contingency.

The police department underwent a security audit performed by the State of Oregon. They identified several areas in which the city was insufficient. One of the areas of insufficiency was a secure location for the IT staff. This secure location was to be addressed during the 2014-2015 budget process. However, when City Hall was flooded and the whole bottom floor was evacuated and gutted, this provided the opportunity to have the bottom floor remodeled to incorporate the necessary changes to make the floor a secure location for the IT department. This supplemental budget appropriates the funds for the security remodel in the amount of \$50,000.00. The corresponding amount will be taken from the Admin Support Services Contingency.

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<u>FUND 32 - VEHICLE/EQUIPMENT REPLACEMENT FUND</u>		<u>FY 13-14 BUDGET</u>	<u>CHANGE</u>	<u>REVISED</u>
Transfer In - Wastewater Fund	<i>Increase</i>	-	20,000.00	20,000.00
Transfer In - Water Fund	<i>Increase</i>	-	12,000.00	12,000.00
Lease Proceeds	<i>Increase</i>	300,000.00	30,000.00	330,000.00
Capital Outlay-Computers-City Manager	<i>Increase</i>	-	1,365.00	1,365.00
Capital Outlay-Equip/Software - IT	<i>Increase</i>	321,000.00	10,000.00	331,000.00
Capital Outlay-Lease-GAAP - IT	<i>Increase</i>	220,000.00	30,000.00	250,000.00
Capital Outlay-Forensic Equipment	<i>Increase</i>	15,000.00	10,500.00	25,500.00
Capital Outlay-Maint Veh Repl	<i>Increase</i>	610,000.00	35,000.00	645,000.00
Capital Outlay-Eng Veh Repl	<i>Increase</i>	17,500.00	9,652.00	27,152.00
Contingency	<i>Decrease</i>	1,143,284.00	(34,517.00)	1,108,767.00

	<i>Current</i>	<i>Inc/(Decr)</i>	<i>Revised</i>
Total Resources (Beg Fund Balance + Current Revenues)	2,587,132.00	62,000.00	2,649,132.00
Total Requirements (Expenditures)	2,587,132.00	62,000.00	2,649,132.00

\$20,000.00 from Fund 6 is being transferred in for future vehicle replacements in Maintenance. \$12,000.00 is being transferred from WTP operations to engineering to pay for the pickup mentioned in the Fund 7 supplemental budget narrative.

A new computer is needed for the new city manager. This supplemental budget appropriates the balance in the city manager's computer reserve funds in the amount of \$1,365.00 to be used towards this purchase. This appropriation will reduce the Vehicle /Equipment Replacement Contingency.

The IT network upgrade lease and related costs were more than anticipated in the 2013-2014 budget. This supplemental budget recognizes the full cost. \$30,000.00 has been added to lease proceeds and expenditures (GAAP). \$10,000.00 was added to fund additional costs related to the network upgrade, with the balance coming from Vehicle/Equipment Replacement Contingency.

Computer forensic equipment needs to be updated frequently to keep up with technology. This supplemental budget transfers an additional \$10,500.00 from the Police Forensic Equipment reserves making the funds available when needed.

Maintenance vehicle/equipment replacements were more than anticipated in the 2013-2014 budget process. \$35,000.00 has been added to cover these expenditures. \$20,000.00 is covered by the transfer in from the Wastewater Fund (Fund 6) with the balance coming from Vehicle/Equipment Replacement Contingency.

The engineering department purchased a new vehicle during the 2013-2014 fiscal year. The additional cost is funded by a transfer in from the Water Fund (Fund 7) which was a reimbursement for the pickup that was transferred to the Water Treatment Plant Operations.

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<u>FUND 33 - FIRE & EMS EQUIPMENT FEE</u>		FY 13-14 BUDGET	CHANGE	REVISED
Capital Outlay-Lease-GAAP	Increase	30,000.00	2,748.00	32,748.00
Contingency	Decrease	89,470.00	(2,748.00)	86,722.00

	<i>Current</i>	<i>Inc/(Decr)</i>	<i>Revised</i>
Total Resources (Beg Fund Balance + Current Revenues)	345,953.00	-	345,953.00
Total Requirements (Expenditures)	345,953.00	-	345,953.00

The city entered into a capital lease agreement during the 2013-2014 fiscal year to purchase a new fire vehicle. The amount was more than anticipated during the 2013-2014 budget process. This supplemental budget appropriates the additional amount of \$2,748.00 needed to offset the correct amount of the lease, with a corresponding decrease in the Fire & EMS Equipment Fee Contingency.

<u>FUND 36 - WASTEWATER FINANCED CIP'S FUND</u>		FY 13-14 BUDGET	CHANGE	REVISED
Interim Fin-WWTP CWSRLF	Increase	8,100,000.00	2,900,000.00	11,000,000.00
WWTP RRE Ph 1 & 2 Design	Increase	1,500,000.00	400,000.00	1,900,000.00
WWTP RRE Construction	Increase	6,600,000.00	2,500,000.00	9,100,000.00

	<i>Current</i>	<i>Inc/(Decr)</i>	<i>Revised</i>
Total Resources (Beg Fund Balance + Current Revenues)	8,100,000.00	2,900,000.00	11,000,000.00
Total Requirements (Expenditures)	8,100,000.00	2,900,000.00	11,000,000.00

The Wastewater Treatment Plant Renovation, Repair and Expansion is moving forward rapidly. This supplemental budget appropriates additional expenditures in anticipation of the timing of construction and the fiscal year-end in the amount of \$2,900,000.00 with a corresponding increase in interim financing revenues.

Total Increase (decrease) in appropriations:	3,075,944.00
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